



Presentation to the 2011 Health and Human Services Joint Appropriation Subcommittee

Medicaid and Health Services Management Department of Public Health and Human Services

Reference:
Legislative Fiscal Division Budget Analysis, Volume 4 Section B, Page B-178

CONTACT INFORMATION

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OVERVIEW AND SUMMARY OF MAJOR FUNCTIONS

The **Medicaid and Health Services Branch** serves as the umbrella for programs that provide health coverage, mental health and chemical dependency services, and specialized developmental disability services. By combining Medicaid and other health care services under one branch, the Department is able to coordinate and optimize the efficient delivery of services.

The branch is comprised of four divisions and two programs: Senior and Long Term Care Division, Developmental Services Division, Addictive and Mental Disorders Division, Health Resources Division, the Medicaid Systems Support Program, and the Healthy Montana Kids Program (HMK).

The contributions of each Division are outlined in their individual presentations. The Divisions and HMK program share a common goal to provide medical and health care services that assist people to live healthier lives and actively participate in their communities. The Divisions and HMK strive to treat people at the least costly and/or least intrusive level. For long term services, rehabilitation and/or care in the home and community is emphasized over institutionalization. For more acute needs, care by a community provider rather than in a hospital or residential setting is preferred. We do, however, recognize and support the importance of all aspects of a continuum of care. Our six state facilities and private partners such as hospitals and nursing facilities provide the avenue to treat the relatively small number of people who need the most intensive level of care.

The Healthy Montana Kids (HMK) Program Director reports directly to the Branch Manager. HMK is our program for health care coverage for children. It serves over 80,000 children through a seamless coordination of the federal Medicaid and CHIP programs. Further detail on the HMK program is found in their individual presentation.

An administrative function of the Branch is the Medicaid Systems Support program which oversees the Medicaid Information System (MMIS) contractor responsible for processing and paying Medicaid claims. Our current MMIS system is over thirty years old and will be replaced over the next three years. A new system will provide us the increased capability and flexibility to better manage our health care systems. The MMIS is primarily funded with federal funds: operations receive 75% and system design and development receive 90% federal funding.

The Medicaid and Health Services Branch Manager is attached to program 12 for budget purposes. The Branch Manager oversees and coordinates programs and activities of the Branch and, as the State Medicaid Director, establishes policy for the Montana Medicaid program. The majority of services in the branch are funded through Medicaid.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2011 BIENNIUM

- Implementation of the integrated Healthy Montana Kids which provides health care coverage to over 80,000 children.
- Better integration of community and state health facility services. Renewed emphasis on continually improving the quality of care.
- Approval and start-up of the MHSP Waiver (formerly known as the HIFA waiver)
- Development and release of the Request for Procurement for the replacement of our existing MMIS in December 2010. The MMIS processes claims for Medicaid, Healthy Montana Kids and the Mental Health Services Plan.

MMIS REPLACEMENT SCHEDULE OF EVENTS

EVENT

DATE

RFP Issue Date	December 3, 2010
RFP Response Due Date	March 25, 2011
Tentative Contract Begin Date	November 1, 2011
Tentative Implementation of new MMIS	April 1, 2014

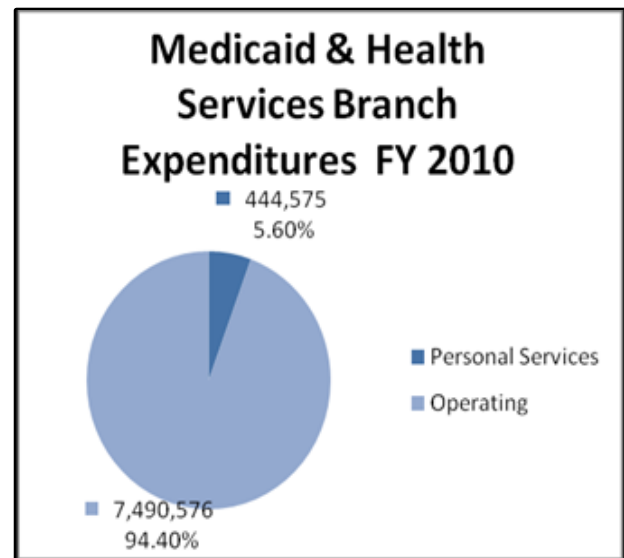
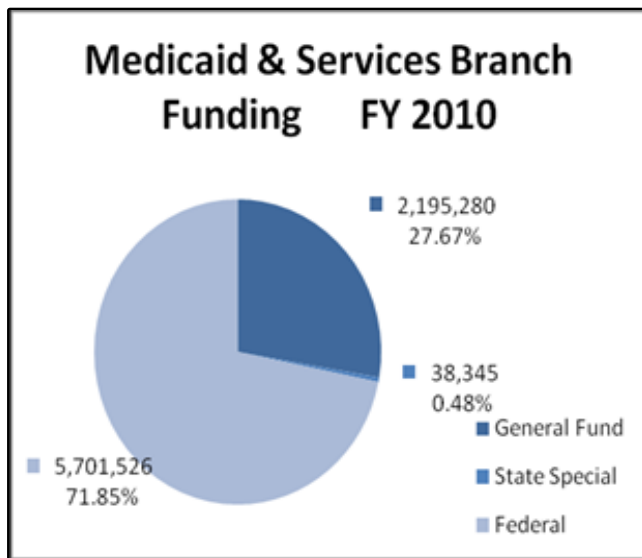
2013 BIENNIUM GOALS AND OBJECTIVES

Department of Public Health and Human Services Medicaid and Health Services Management	
Goals and Objectives for the 2013 Biennium Submitted September 1, 2010	
Goal: Assure necessary healthcare is available to all eligible Montanans.	
Objective	Measures
Reduce the number of uninsured Montana Children	<ul style="list-style-type: none">Continuously increase the number of low to moderate income Montana children who are enrolled in the Healthy Montana Kids program.
Objective	Measures
Maintain Systems to timely, accurately and adequately pay for healthcare services	<ul style="list-style-type: none">Implement modifications that maintain access and prevent adverse findings from program reviews.Monitor prompt payment report for claim processing timeframes.
Objective	Measures
Maintain adequate access to medical services for Medicaid	<ul style="list-style-type: none">Monitor and maintain provider networks at current levels with priorities for primary care providers.
Objective	Measures
Finance healthcare for low income Montanans in accordance with state and federal directives	<ul style="list-style-type: none">Maintain favorable outcomes in program and financial reviews and audits.Maintain approved amendments to state Medicaid plans and waivers

FUNDING AND FTE INFORMATION

		2010 Actual Expenditures	FY 2012 Request	FY 2013 Request
Medicaid & Health Services				
	FTE	5.00	5.00	5.00
	Personal Services	\$444,575	\$462,194	\$461,263
	Operating	\$7,490,576	\$7,857,772	\$8,048,877
	Equipment	\$0	\$0	\$0
	Grants	\$0	\$0	\$0
	Benefits & Claims	\$0	\$0	\$0
	Debt Services	\$0	\$0	\$0
	Total Request	\$7,935,151	\$8,319,966	\$8,510,140
	General Fund	\$2,195,280	\$2,322,205	\$2,367,589
	State Special Fund	\$38,345	\$36,708	\$39,755
	Federal Fund	\$5,701,526	\$5,961,053	\$6,102,796
	Total Request	\$7,935,151	\$8,319,966	\$8,510,140

THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR
FY 2010 FOR MEDICAID & HEALTH SERVICES BRANCH



DECISION PACKAGES (SEE LFD BUDGET ANALYSIS, PAGE B-253)

PL 12001 MMIS Contract Increase (20136911A02; Program 12)

- The current Medicaid Management Information System (MMIS) Fiscal Agent contract contains a pricing adjustment per an increase in CPI. The annual pricing adjustment shall not exceed 75% of the rate of increase in the cost of living as reflected in the Federal Bureau of Labor Statistics, Consumer Price Index (CPI). The increase is implemented annually in July and over the prior 6 years has increased on average 2.5% annually.
- LFD reference is on page **B-253**

Fiscal Year	General Fund	State Special	Federal Funds	Total Request
FY 2012	\$ 93,228	\$	\$275,031	\$368,259
FY2013	\$141,597	\$	\$417,725	\$559,322
Biennium Total	\$234,825	\$	\$692,756	\$927,581

LEGISLATION

The Department has requested Representative Jerry O'Neil to introduce HB 139 on its behalf. HB 139 is "AN ACT ELIMINATING THE COMMISSION ON PROVIDER RATES AND SERVICES; REPEALING SECTIONS 53-10-201, 53-10-202, 53-10-203, 53-10-204, 53-10-211, AND 53-10-212 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."